

VILLAGE OF RICHFIELD

Annual Financial Report

December 31, 2013

VILLAGE OF RICHFIELD

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Richfield
Hubertus, Wisconsin

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Richfield (Village), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Richfield, as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Village Board
Village of Richfield

Other Matters

Required Supplementary Information


Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and page 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Richfield's basic financial statements. The combining financial statements and schedule of detailed budgetary comparison – general fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule of detailed budgetary comparison – general fund is also the responsibility of management and has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.


KerberRose SC
Certified Public Accountants
April 22, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF RICHFIELD
Management's Discussion and Analysis
For the Year Ended December 31, 2013

As management of the Village of Richfield (Village) we offer readers of the Village's basic financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2013.

Financial Highlights

- The assets of the Village exceeded its liabilities as of December 31, 2013, by \$12,909,479 (*net position*). Of this amount, \$1,621,973 may be used to meet the government's ongoing obligations to citizens and creditors (*unrestricted net position*). The total net position include all infrastructure of the governmental funds installed from 1980 to present.
- The Village's total net position increased by a net amount of \$603,507 with a \$519,362 increase in the investment in capital assets, net of related debt.
- As of December 31, 2013, the Village's governmental funds reported combined ending fund balances of \$1,591,587 an increase of \$93,415 in comparison with the prior year.
- As of December 31, 2013 the fund balance for the general fund decreased \$673,044 in comparison with the prior year.
- The Village's total general obligation debt decreased by \$35,531.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. These basic financial statements are comprised of 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition, other supplementary information to the basic financial statements is provided.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Village's assets, liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected special assessments and earned but unused vacation and sick leave). This method of accounting is known as the accrual basis of accounting and is different from the modified basis of accounting used in the Village's fund financial statements. The intent of the government-wide financial statements is to give the reader a long-term view of the Village's financial condition.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village include general government, public safety, public works, culture and recreation, and conservation and development. The Village has no business-type activities.

The government-wide financial statements can be found on pages 9 - 10 of this report.

VILLAGE OF RICHFIELD
Management's Discussion and Analysis
For the Year Ended December 31, 2012

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and park dedication fund, which are considered to be major funds. Data for the remaining governmental funds are presented under the non-major fund column. Fund data for the non-major governmental funds are provided later in this report.

The basic governmental fund financial statements can be found on pages 11 - 13 of this report.

Fiduciary Funds (Not included in government-wide statements)

Agency funds are used to account for assets held by the Village as an agent for individuals, private organizations, and/or other governmental units.

The fiduciary fund financial statement can be found on page 14 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 15 - 29 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Village's budget. The Village adopts an annual appropriation budget for its general fund. This required supplementary information can be found immediately following the notes to the financial statements on pages 30 - 31.

This report also contains *supplementary information*. This includes detailed budget to actual information for the general fund and combining statements for the non-major governmental funds. The supplementary information can be found on pages 32 - 39.

VILLAGE OF RICHFIELD
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Village, assets exceeded liabilities and deferred inflows of resources by \$12,909,479 at the close of 2013.

	Governmental Activities 2013	Governmental Activities 2012
Current and Other Assets	\$ 4,615,873	\$ 4,447,925
Capital Assets	11,482,518	10,998,687
Total Assets	<u>15,446,612</u>	<u>15,446,612</u>
Current Liabilities	577,108	508,962
Long-Term Liabilities	157,657	195,012
Total Liabilities	<u>734,765</u>	<u>703,974</u>
Deferred Inflows of Resources		
Taxes Levied for Subsequent Period	<u>2,454,147</u>	<u>2,436,666</u>
Net Position		
Net Investment in Capital Assets	11,287,506	10,768,144
Unrestricted	<u>1,621,973</u>	<u>1,537,828</u>
Total Net Position	<u>\$ 12,909,479</u>	<u>\$ 12,305,972</u>

The largest portion of the Village's net position (approximately 87 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net position \$1,621,973 may be used to meet the Village's ongoing obligations to its citizens and creditors.

VILLAGE OF RICHFIELD
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Government-Wide Financial Analysis (Continued)

	<u>2013</u>	<u>2012</u>
Program Revenues		
Charges for Services	\$ 428,059	\$ 414,983
Operating Grants and Contributions	434,936	373,078
Capital Grants and Contributions	46,432	519
General Revenues		
Property Taxes	2,438,305	2,430,477
Intergovernmental Revenues not Restricted to Specific Programs	146,064	186,503
Other	49,403	27,178
Total Revenues	<u>3,543,199</u>	<u>3,432,738</u>
Expenses		
General Government	636,714	652,208
Public Safety	957,642	934,628
Public Works	1,059,110	1,014,205
Culture and Recreation	161,134	113,187
Conservation and Development	114,690	102,069
Interest and Fiscal Charges	10,402	12,914
Total Expenses	<u>2,939,692</u>	<u>2,829,211</u>
Increase in Net Position	603,507	603,527
Net Position – Beginning Of Year (As Restated)	<u>12,305,972</u>	<u>11,702,445</u>
Net Position – End of Year	<u>\$ 12,909,479</u>	<u>\$ 12,305,972</u>

Key elements of this increase are as follows:

Revenues increased by \$110,461 in 2013 as compared to 2012. The increase is mainly due to increases in charges for services for building, electrical and plumbing permits in addition to the intergovernmental agreements for those permits in Slinger and Sussex, intergovernmental grant for road improvements and impact fees.

Expenses increased by \$110,481 in 2013 as compared to 2012. The increase is mainly due to increases in Attorney Fees; the addition of a Building Inspector and leasing 2 vehicles for the Inspector's Department.

VILLAGE OF RICHFIELD
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Financial Analysis of the Government's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of December 31, 2013, the Village's governmental funds reported combined ending fund balances of \$1,591,587, an increase of \$93,415 in comparison with the prior year. Of this amount, \$480,050 is nonspendable for a long-term advance to the park fund, delinquent personal property taxes and delinquent special assessments; \$1,452,686 is assigned and the remaining balance of (\$341,149) is unassigned.

The *general fund* is the chief operating fund of the Village. As of December 31, 2013, the total fund balance of the general fund was \$190,652 of which \$480,050 in nonspendable \$541,973 is assigned for capital improvements and street maintenance and the remaining balance of \$68,629 is unassigned.

General Fund Budgetary Highlights

During the year, actual revenues were more than budgeted revenues by \$161,577 primarily due to an increase in building, electrical and plumbing permits as compared to the budgeted amount. Actual expenditures were less than budgeted by \$120,479 due primarily to the highway department. The highway department had less than expected expenses in capital outlays and major repairs and construction as compared to the budgeted amount.

Capital Assets

The Village's investment in capital assets as of December 31, 2013, is \$11,482,518 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles and public domain infrastructure (highways and roads).

Capital assets increased by \$483,831 net of depreciation in 2013.

	<u>2013</u>	<u>2012</u>
Land	\$ 1,599,552	\$ 1,599,552
Buildings and Other Improvements	1,774,890	1,774,890
Machinery and Equipment	1,765,264	1,845,753
Infrastructure	9,570,158	8,733,859
Construction in Progress	152,293	110,027
Total Capital Assets	<u>14,862,157</u>	<u>14,064,081</u>
Less Accumulated Depreciation	<u>3,379,639</u>	<u>3,065,394</u>
Capital Assets Net of Depreciation	<u>\$ 11,482,518</u>	<u>\$ 10,998,687</u>

For further details on capital asset activity, refer to Note 7 of the notes to financial statements.

VILLAGE OF RICHFIELD
Management's Discussion and Analysis
For the Year Ended December 31, 2013

Long-Term Debt

At the end of the current fiscal year, the Village has total debt outstanding of \$195,012. The full amount comprises debt backed by the full faith and credit of the Village.

	<u>Governmental Activities</u>
General Obligation Debt	
State Trust Funds	<u>\$ 195,012</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total equalized valuation. The current debt limitation for the Village is \$69,083,128.

Economic Factors and Next Year's Budgets and Rates

- The economic condition and outlook of the Village has remained fairly stable based on a relatively healthy mix of manufacturing, retail and residential activities which support our tax base.

These factors were considered in preparing the Village's budget for the 2014 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Village Deputy Treasurer, 4128 Hubertus Road, Hubertus, WI.

BASIC FINANCIAL STATEMENTS

VILLAGE OF RICHFIELD

Statement of Net Position

As of December 31, 2013

	Governmental Activities
<hr/>	
ASSETS	
Current Assets	
Cash and Investments	\$ 1,974,325
Restricted Cash and Investments	1,321,276
Receivables:	
Taxes	1,146,926
Special Assessments	78,972
Delinquent Personal Property Taxes	15,622
Accounts	78,752
Total Current Assets	<u>4,615,873</u>
Noncurrent Assets	
Land	1,599,552
Construction in Progress	152,293
Buildings and Improvements	1,774,890
Machinery and Equipment	1,765,264
Infrastructure	9,570,158
Less: Accumulated Depreciation	<u>(3,379,639)</u>
Total Noncurrent Assets	<u>11,482,518</u>
TOTAL ASSETS	<u>16,098,391</u>
LIABILITIES	
Current Liabilities	
Current Portion Long-Term Obligations	69,712
Accounts Payable	206,512
Accrued Liabilities	99,812
Accrued Interest	7,998
Deposits	187,603
Due to Other Governments	<u>5,471</u>
Total Current Liabilities	<u>577,108</u>
Non-Current Liabilities	
Noncurrent Portion of Long-Term Obligations	<u>157,657</u>
TOTAL LIABILITIES	<u>734,765</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes Levied for Subsequent Period	<u>2,454,147</u>
NET POSITION	
Net Investment in Capital Assets	11,287,506
Unrestricted	<u>1,621,973</u>
TOTAL NET POSITION	<u><u>\$ 12,909,479</u></u>

See Accompanying Notes

VILLAGE OF RICHFIELD
Statement of Activities
For the Year Ended December 31, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
General Government	\$ 636,714	\$ 9,757	\$ -	\$ -	\$ (626,957)
Public Safety	957,642	349,019	63,282	29,660	(515,681)
Public Works	1,059,110	42,774	365,762	-	(650,574)
Culture and Recreation	161,134	11,366	-	16,772	(132,996)
Conservation and Development	114,690	15,143	5,892	-	(93,655)
Interest on Debt	10,402	-	-	-	(10,402)
TOTAL	<u>\$ 2,939,692</u>	<u>\$ 428,059</u>	<u>\$ 434,936</u>	<u>\$ 46,432</u>	<u>(2,030,265)</u>
GENERAL REVENUES					
Taxes:					
Property Taxes, Levied for General Purposes					2,430,938
Property Taxes, Levied for Special Revenue Funds					7,367
Intergovernmental Revenues not Restricted to Specific Programs					146,064
Investment Income					12,996
Miscellaneous					36,407
Total General Revenues					<u>2,633,772</u>
CHANGE IN NET POSITION					603,507
NET POSITION - BEGINNING - AS RESTATED					<u>12,305,972</u>
NET POSITION - ENDING					<u>\$ 12,909,479</u>

VILLAGE OF RICHFIELD

Balance Sheet

Governmental Funds

As of December 31, 2013

	General	Capital Projects	Park Dedication	Non-Major Governmental Funds	Total
ASSETS					
Cash and Investments	\$ 1,015,174	\$ 751,182	\$ 45,495	\$ 162,474	\$ 1,974,325
Restricted Cash and Investments	1,321,276	-	-	-	1,321,276
Receivables:					
Taxes	1,143,508	-	-	3,418	1,146,926
Special Assessments	78,972	-	-	-	78,972
Delinquent Personal Property Taxes	15,622	-	-	-	15,622
Accounts	76,811	-	1,198	743	78,752
Due from Other Funds	363	-	-	352	715
Advance to Other Fund	456,197	-	-	-	456,197
TOTAL ASSETS	\$ 4,107,923	\$ 751,182	\$ 46,693	\$ 166,987	\$ 5,072,785
LIABILITIES					
Accounts Payable	\$ 206,512	\$ -	\$ -	\$ -	\$ 206,512
Accrued Liabilities	99,812	-	-	-	99,812
Deposits	187,603	-	-	-	187,603
Due to Other Funds	352	-	-	363	715
Due to Other Governments	5,471	-	-	-	5,471
Advance from Other Fund	-	-	456,197	-	456,197
Total Liabilities	499,750	-	456,197	363	956,310
DEFERRED INFLOWS OF RESOURCES					
Taxes Levied for Subsequent Period	2,446,780	-	-	7,367	2,454,147
Unavailable - Special Assessments	70,741	-	-	-	70,741
Total Deferred Inflows of Resources	2,517,521	-	-	7,367	2,524,888
FUND BALANCES (DEFICIT)					
Nonspendable					
Advance to Other Fund	456,197	-	-	-	456,197
Delinquent Personal Property Taxes	15,622	-	-	-	15,622
Delinquent Special Assessments	8,231	-	-	-	8,231
Assigned	541,973	751,182	-	159,531	1,452,686
Unassigned	68,629	-	(409,504)	(274)	(341,149)
Total Fund Balances (Deficit)	1,090,652	751,182	(409,504)	159,257	1,591,587
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)	\$ 4,107,923	\$ 751,182	\$ 46,693	\$ 166,987	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.					11,482,518
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.					
Special Assessments					70,741
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds.					(235,367)
NET POSITION OF GOVERNMENTAL FUNDS					\$ 12,909,479

VILLAGE OF RICHFIELD
Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) - Governmental Funds
For the Year Ended December 31, 2013

	General	Capital Projects	Park Dedication	Non-Major Governmental Funds	Total
REVENUES					
Taxes	\$ 2,430,939	\$ -	\$ -	\$ 7,367	\$ 2,438,306
Special Assessments	16,159	-	-	-	16,159
Intergovernmental	597,324	-	-	-	597,324
Licenses and Permits	346,510	-	-	-	346,510
Fines, Forfeitures and Penalties	3,428	-	-	-	3,428
Public Charges for Services	57,909	-	16,772	29,660	104,341
Investment Income	11,642	1,182	34	138	12,996
Miscellaneous	38,198	-	-	-	38,198
Total Revenues	3,502,109	1,182	16,806	37,165	3,557,262
EXPENDITURES					
Current:					
General Government	620,590	-	-	-	620,590
Public Safety	957,642	-	-	-	957,642
Public Works	701,729	-	-	7,493	709,222
Culture and Recreation	116,061	-	-	-	116,061
Conservation and Development	119,945	-	-	-	119,945
Debt Service:					
Principal	11,084	-	24,447	-	35,531
Interest	5,102	-	6,754	-	11,856
Capital Outlay	893,000	-	-	-	893,000
Total Expenditures	3,425,153	-	31,201	7,493	3,463,847
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	76,956	1,182	(14,395)	29,672	93,415
OTHER FINANCING SOURCES (USES):					
Transfers	(750,000)	750,000	-	-	-
NET CHANGE IN FUND BALANCES (DEFICIT)	(673,044)	751,182	(14,395)	29,672	93,415
FUND BALANCES (DEFICIT) - BEGINNING	1,763,696	-	(395,109)	129,585	1,498,172
FUND BALANCES (DEFICIT) - ENDING	\$ 1,090,652	\$ 751,182	\$ (409,504)	\$ 159,257	\$ 1,591,587

VILLAGE OF RICHFIELD

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2013

Net Change in Fund Balances - Total Governmental Funds	\$	93,415
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Amounts reported for governmental activities in the statement of activities are different because:

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Capital outlay reported in governmental fund statements to be capitalized	893,000	
Depreciation expense reported in the statement of activities	<u>(407,368)</u>	
Amount by which capital outlay is greater than depreciation in the current period:		485,632

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, developer credits for land purchases and donations) is to decrease net position.

(1,801)

Governmental funds do not recognize revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.

Special assessments collected during the year:

(12,262)

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year is:

35,531

In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.

The amount of interest paid during the current period	11,856	
The amount of interest accrued during the current period	<u>(10,402)</u>	
Interest paid is more than interest accrued by:		1,454

Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.

Employee benefits paid in current year	36,929	
Employee benefits earned in current year	<u>(32,357)</u>	
Amounts paid are more than amounts earned by:		4,572

Change in Net Position - Governmental Activities	\$	<u>606,541</u>
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VILLAGE OF RICHFIELD

Combining Balance Sheet

Fiduciary Funds

As of December 31, 2013

	Private - Purpose Trust Fund Slinger School District	Agency Tax Collection Fund	Total Fiduciary Funds
ASSETS			
Cash and Investments	\$ 1,502	\$ -	\$ 1,502
Tax Roll Receivable	-	9,687,033	9,687,033
Cash and Investments - Restricted	-	11,192,962	11,192,962
TOTAL ASSETS	<u>\$ 1,502</u>	<u>\$ 20,879,995</u>	<u>\$ 20,881,497</u>
LIABILITIES			
Liabilities:			
Due to Other Taxing Units	\$ -	\$ 20,879,995	\$ 20,879,995
Due to District	1,502	-	1,502
Total Liabilities	<u>\$ 1,502</u>	<u>\$ 20,879,995</u>	<u>\$ 20,881,497</u>

There is no Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Fiduciary Funds as there was no activity in the Private - Purpose Trust Fund in the current year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

This summary of significant accounting policies of the Village of Richfield (Village) is presented to assist in understanding the Village's financial statements. The financial statements and notes are representations of the Village's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles in the United States of America and have been consistently applied in the preparation of the financial statements.

REPORTING ENTITY

This report includes all of the funds of the Village of Richfield. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. The Village has not identified any component units that are required to be included in the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the statement of activities. Program revenues included 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments and impact fees. Taxes and other items not included as program revenues are reported instead as general revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND FINANCIAL STATEMENTS

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures.

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental funds combined.
- c. In addition, any other governmental fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Governmental Funds

Governmental funds are identified as either general, special revenue or capital project funds based upon the following guidelines.

General Fund

The general fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Project Funds

Capital Project Funds are used to account for property taxes, bond proceeds, and other financial resources available to implement the Village's capital improvement plans.

Fiduciary Funds (Not included in government-wide statements)

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and are reported using the full accrual method of accounting. Because by definition these assets are being held for the benefit of a third party (other local governments) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Fiduciary Funds (Not included in government-wide statements) (Continued)

Private-Purpose Trust Funds

Private-purpose Trust funds are used to account for resources held in trust for others. All resources of the fund, including any earnings on invested resources, may be used to support the organization.

Agency Funds

Agency funds are used to account for assets held by the Village as an agent for individuals, private organizations, and/or other governmental units.

Major Funds

The Village reports the following major governmental funds:

The *general fund*, which accounts for the Village's primary operating activities.

The *capital projects fund*, which accounts for revenue and expenditures specific to carry out the capital improvement plan.

The *park dedication fund*, which accounts for revenue and expenditures specified for park development.

Non-Major Funds

The Village reports the following non-major funds:

Special Revenue Funds –

Richfield Utility No. 1 – Account for revenue and expenditures for lighting of a Village subdivision.

Bark Lake Utility – Account for revenue and expenditures for lighting the Village.

Richfield Utility No. 2 – Account for revenue and expenditures for lighting of a Village subdivision.

Fire Station – Account for revenue and expenditures specified for a new fire station building.

Fiduciary Funds

The Village reports the following Private Purpose Trust Fund:

Slinger School District – Accounts for assets being held for the Slinger School District.

The Village reports the following agency fund:

Tax Collection – Accounts for tax revenue held for other taxing jurisdictions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial report.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the Village gives or receives value without directly, receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

ACCOUNTS RECEIVABLE

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material.

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No allowance for uncollectible delinquent personal property taxes has been provided since it is believed that the amount of such allowance would be immaterial.

CAPITAL ASSETS

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements and used in governmental fund operations.

Government-Wide Statements

In the government-wide financial statements, property, plant and equipment are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Capital assets are defined by the Village as assets with initial, individual cost of \$5,000 or more for machinery and equipment and \$25,000 or more for buildings, improvements and infrastructure and an estimated useful life in excess of one year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Improvements	7-20 Years
Machinery and Equipment	5-15 Years
Infrastructure	40 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In addition to assets, the balance sheet and/or statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Village does not have any items that qualify for reporting in this category.

In addition to liabilities, the balance sheet and/or statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Village has two types of items, one which arises under both modified accrual and the full accrual basis of accounting and one that only arises under the modified accrual basis of accounting on the governmental funds balance sheet. Taxes levied for the subsequent period have not met the time requirement to be recognized as an acquisition of resources and is therefore reported as deferred inflows of resources on both the governmental funds balance sheet and the governmental activities statement of net position. The governmental funds report unavailable revenues from special assessments. Special assessments are deferred and recognized as an inflow of resources in the period that the amounts become available.

LONG-TERM OBLIGATIONS

The accounting treatment of long-term obligations depends on whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term obligation consists of state trust fund loans and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

COMPENSATED ABSENCES

Governmental Funds

The Village's policy allows employees to earn varying amounts of vacation pay for each year employed. Upon retirement or termination of employment, the employee is entitled to payment in cash for any unused vacation. Vacation payments are made based on the salary levels at time of termination.

Accrued vacation pay is recognized as an expenditure in governmental funds when liquidated with expendable available financial resources. Personal leave is accrued yearly at 96 hours per year. If all personal hours are not used by year end they are converted to sick leave with a maximum of 600 hours. Accrued sick leave is not paid upon resignation, dismissal or retirement. Sick leave is recorded as an expenditure or expense when paid. Vacation is earned and taken based on a calendar year. Compensated absences earned as of December 31, 2013 are estimated to be \$92,847.

Government-Wide Statements

Compensated absences are accrued when incurred in the government-wide financial statements.

Payments for vacation and sick leave will be made at rates in effect when benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2013 are determined on the basis of current salary rates and include salary related payments.

CLAIMS AND JUDGMENTS

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental fund types. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

EQUITY CLASSIFICATIONS

Equity is classified as net position and displayed in three (3) components in the government-wide financial statements.

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

VILLAGE OF RICHFIELD
Notes to Financial Statements
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

EQUITY CLASSIFICATIONS (Continued)

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The Village Board is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance, in the general fund, represents amounts constrained by the Village Board for a specific intended purpose. The Village has not delegated that authority to others. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The Village, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned.

The Village has adopted a minimum fund balance policy. A minimum unassigned fund balance equal to 20-25% of total General Fund expenditures should be maintained at all times. In the event that amounts designated for unassigned fund balance fall above or below the desired range, the Village Administrator shall report such amounts to the Village Board as soon as practical. Should the actual amount for unassigned fund balance fall below the desired range, the Village shall create a plan to restore the appropriate levels. Should the actual amount of unassigned fund balance rise above the desired range, any excess funds will remain unassigned pending the Board's final decision concerning a transfer to another fund. It is the policy of the Village that such excess funds will be, by Board action reported in the spendable category of this policy. Any budget revision that will result in the unassigned fund balance dropping below the minimum level will require the approval of 2/3 vote of the Village Board.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results may differ from these estimates.

VILLAGE OF RICHFIELD
Notes to Financial Statements
December 31, 2013

NOTE 2 - CASH AND INVESTMENTS

The Village's current investment policy allows investments in accordance with Wisconsin Statutes. The investment policy of the Village also limits the portfolio of the Village not to exceed the following diversification limits unless specifically authorized by the Village Board:

- No financial institution shall hold more than 40% of the Village's investment portfolio, exclusive of U.S. Treasury securities in safekeeping.
- Monies deposited at a financial institution shall not exceed 25% of the capital stock and surplus of that institution.
- Deposits in any one public investment pool shall not exceed 50% of the Village's investment portfolio.

The Village will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than five years from the date purchased. Reserve funds may be invested in securities exceeding five years to coincide with the expected use.

Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district, or the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities guaranteed by the federal government.
- The Local Government Pooled Investment Fund and the Wisconsin Investment Trust.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

Additional restrictions could arise from local charters, ordinances, resolutions and grant regulations of the Village.

The Local Government Investment Pool, an external investment pool operates as a joint venture under Section 66.0301 of the Wisconsin Statutes. Membership in the joint venture is limited to school districts, technical colleges and municipalities in Wisconsin. The governing body, the Board of Commissioners, is elected by the membership.

The Local Government Investment Pool is not registered with the U.S. Securities and Exchanges Commission and does not publish credit quality ratings. An investment in the Pool is not a deposit with any bank and is neither insured nor guaranteed by the Federal Deposit Insurance Corporation, the United States Government, any state governmental agency or the Pool. Upon demand, cash can be withdrawn with interest from the Local Government Investment Pool. Investments in the Local Government Investment Pool are valued at cost, which approximates market. The balance in the Local Government Investment Pool at December 31, 2013 was \$11,367,046. A large portion of this balance is tax collections held for other entities. A majority of these funds are disbursed in early January.

VILLAGE OF RICHFIELD
Notes to Financial Statements
December 31, 2013

NOTE 2 - CASH AND INVESTMENTS (Continued)

As of December 31, 2013 the Village had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Local Government Investment Pool	0 Days	<u>\$ 11,933,327</u>

Interest Risk – The Village's investment policy does limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical organizations. The Village's investment policy does not further limit its investment choices. As of December 31, 2013, the Village's investment in the Local Government Investment Pool is not rated.

Concentration of Credit Risk – The Village placed no limit on the amount the Village may invest in any one issuer. More than 5 percent of the Village's investments are in the Local Government Investment Pool. This investment is 100% of the Village's total investments.

Investments are stated at fair market value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. For investments stated at their fair value, fair values are based on quoted market prices. No investments are reported at amortized costs. Adjustments necessary to record investments at fair value are recorded in the statement of activities and the statement of revenues, expenses and changes in fund balances (deficit) as increases or decreases in investment income.

At December 31, 2013 the bank balance of cash was \$2,597,661. The Village maintains its cash accounts at two financial institutions. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village does not have a deposit policy for custodial credit risk.

Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts); up to \$250,000 for the combined amount of all interest and noninterest bearing demand deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2013, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted above.

The Village had the following deposits as of December 31, 2013:

Fully Insured Deposits	\$ 520,000
Collateralized with Securities held by the Pledging Financial Institution not in the Village's name	1,576,479
Uncollateralized	<u>501,182</u>
Total	<u>\$ 2,597,661</u>

VILLAGE OF RICHFIELD
Notes to Financial Statements
December 31, 2013

NOTE 3 - PROPERTY TAXES

The Village bills and collects its own property taxes and also levies for the Richfield School District, Friess Lake School District, Germantown School District, Slinger School District, Hartford-Union School District, Milwaukee Area Technical College, Moraine Park Technical College, Washington County and the State of Wisconsin.

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31, or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by July 31 are assumed by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village.

Under Wisconsin Act 32, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit.

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

The following is a schedule of interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Richfield Utility No. 1	\$ 324	Year End Cash Flow Timing
General Fund	Bark Lake Utility	39	Year End Cash Flow Timing
Richfield Utility No. 2	General Fund	352	Year End Cash Flow Timing
		<u>\$ 715</u>	

NOTE 5 - LONG-TERM ADVANCE

Long-term advance at December 31, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Park Dedication Fund	<u>\$ 456,197</u>	Capital Improvements

NOTE 6 – INTERFUND TRANSFERS

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Projects	<u>\$ 750,000</u>	Capital Improvements

VILLAGE OF RICHFIELD
Notes to Financial Statements
December 31, 2013

NOTE 7 - RESTRICTED ASSETS

Restricted cash and investments at December 31, 2013 are as follows:

<u>Fund</u>		<u>Purpose</u>
General Fund	\$ 1,321,276	Advance tax collection to finance 2014 operations
Agency Fund	\$ 11,192,962	Advance tax collections to be paid to other taxing units

NOTE 8 - CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2013 were as follows:

	<u>Balance 1/1/13</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/13</u>
Capital Assets not being Depreciated				
Land	\$ 1,599,552	\$ -	\$ -	\$ 1,599,552
Construction in Progress	110,027	42,266	-	152,293
Total Capital Assets not being Depreciated	1,709,579	42,266	-	1,751,845
Other Capital Assets				
Buildings and Improvements	1,348,771	-	-	1,348,771
Improvements Other than Buildings and Improvements	426,119	-	-	426,119
Machinery and Equipment	1,845,753	14,435	94,924	1,765,264
Infrastructure	8,733,859	836,299	-	9,570,158
Total Capital Assets being Depreciated	12,354,502	850,734	94,924	13,110,312
Total Capital Assets	14,064,081	893,000	94,924	14,862,157
Less Accumulated Depreciation for				
Buildings and Improvements	462,973	31,820	-	494,793
Improvements Other than Buildings	90,379	20,637	-	111,016
Machinery and Equipment	993,119	129,595	93,123	1,029,591
Infrastructure	1,518,923	225,316	-	1,744,239
Total Accumulated Depreciation	3,065,394	407,368	93,123	3,379,639
Capital Assets, Net of Accumulated Depreciation	\$ 10,998,687	\$ 485,632	\$ 1,801	\$ 11,482,518

Depreciation expense was charged to functions as follows:

General Government	\$ 12,406
Public Works	349,888
Culture and Education	45,074
Total Depreciation Expense	\$ 407,368

VILLAGE OF RICHFIELD
Notes to Financial Statements
December 31, 2013

NOTE 9 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2013:

	<u>Outstanding 1/1/13</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding 12/31/13</u>	<u>Due Within One Year</u>
Governmental Activities					
Notes Payable					
General Obligation Debt	\$ 230,543	\$ -	\$ 35,531	\$ 195,012	\$ 37,355
Other Liabilities					
Vested Compensated					
Absences	33,895	32,357	33,895	32,357	32,357
Total Long-Term Liabilities	<u>\$ 264,438</u>	<u>\$ 32,357</u>	<u>\$ 69,426</u>	<u>\$ 227,369</u>	<u>\$ 69,712</u>

Total interest paid during the year on long-term debt totaled \$11,856.

The general obligation debt is secured by the full faith and credit and unlimited taxing powers of the Village. General obligation debt at December 31, 2013, is comprised of the individual issues listed below.

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/13</u>
Governmental Activities					
Long-Term Obligations					
2006 State Trust Loan	12/14/06	03/15/21	5.50%	\$ 134,225	\$ 65,542
2007 State Trust Loan	12/18/07	03/15/17	5.00%	219,225	110,627
2008 State Trust Loan	11/12/08	03/15/26	4.75%	24,326	18,843
					<u>\$ 195,012</u>

Debt service requirements to maturity are as follows:

	<u>Long-Term Debt</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 37,355	\$ 10,031	\$ 47,386
2015	39,272	8,113	47,385
2016	41,272	6,114	47,386
2017	43,408	3,977	47,385
2018	14,438	1,748	16,186
2019-2023	14,190	2,694	16,884
2024-2026	5,077	469	5,546
Total	<u>\$ 195,012</u>	<u>\$ 33,146</u>	<u>\$ 228,158</u>

The 2013 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is \$1,385,562,800. The legal debt limit and margin of indebtedness as of December 31, 2013, in accordance with Section 67.03 of the Wisconsin Statutes follows:

Debt Limit (5% of \$1,385,562,800)	\$ 69,278,140
Deduct long-term debt applicable to debt margin	<u>195,012</u>
Remaining Margin of Indebtedness Available	<u>\$ 69,083,128</u>

VILLAGE OF RICHFIELD
Notes to Financial Statements
December 31, 2013

NOTE 10 - NET POSITION/FUND BALANCES

Net position reported on the government-wide statement of net position at December 31, 2013 includes the following:

	Governmental Activities
Net Investment in Capital Assets	
Capital Assets, Net of Accumulated Depreciation	\$ 11,482,518
Less: Related Long-Term Debt Outstanding	195,012
Total Net Investment in Capital Assets	<u>11,287,506</u>
Net Position	
Unrestricted	<u>1,621,973</u>
Total Net Position - Government-Wide Statements	<u><u>\$ 12,909,479</u></u>

Fund balances (deficit) reported in the governmental funds balance sheet at December 31, 2013 are further classified as follows:

Non-Spendable	
General Fund	
Advance to Other Fund	\$ 456,197
Delinquent Personal Property Taxes	15,622
Delinquent Special Assessments	8,231
Total Non-Spendable Fund Balance	<u>480,050</u>
Assigned	
General Fund	
Capital Improvements	501,973
Street Maintenance	40,000
Capital Projects	751,182
Non-Major Funds	
Bark Lake Utility	101
Richfield Utility No. 2	352
Fire Station Fund	159,078
Total Assigned Fund Balance	<u>1,452,686</u>
Unassigned	
General Fund	68,629
Park Dedication Fund	(409,504)
Non-Major Fund	
Richfield Utility No. 1	(274)
Total Unassigned Fund Balance	<u>(341,149)</u>
Total Governmental Fund Balance	<u><u>\$ 1,591,587</u></u>

Deficit Fund Balance

The Village had the following funds with negative fund balances which will be covered by future revenues and the general fund if necessary:

Park Dedication	\$ 409,504
Richfield Utility No. 1	274

VILLAGE OF RICHFIELD
Notes to Financial Statements
December 31, 2013

NOTE 11 - DEFINED BENEFIT PENSION PLAN

All eligible Village employees participate in the Wisconsin Retirement System (System), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating System employer prior to July 1, 2011, expected to work at least 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the System. All employees, initially employed by a participating System employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the System.

Employees are required to contribute one-half of the actuarially determined contribution rate for general category employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2013 are:

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%

The payroll for Village employees covered by the System for the year ended December 31, 2013 was \$593,938; the employer's total payroll was \$667,130. The total required contributions for the year ended December 31, 2013 was \$78,994, which consisted of \$39,497, or 6.65% of payroll from the employer and \$39,497, or 6.65% of payroll from employees. Total contributions for the years ending December 31, 2012 and 2011 were \$62,439 and \$61,006, respectively, equal to the required contribution for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially become System eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The System also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes. The System issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

NOTE 12 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the Village purchases commercial insurance. There has been no reduction in insurance coverage from the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in the past three years.

VILLAGE OF RICHFIELD
Notes to Financial Statements
December 31, 2013

NOTE 13 - COMMITMENTS AND CONTINGENCIES

The Village has an agreement with Washington County Sheriff's Department to provide law enforcement services for the Village. The Village has budgeted \$318,000 for law enforcement services in 2014.

The Village has entered into a contract for maintenance of assessment records with Associated Appraisals Consultants, Inc. in the amount of \$47,500 for the 2014 fiscal year.

The Village entered into a contract for fire and emergency services with the Richfield Volunteer Fire Company for 2014 for \$452,750.

The Village has two agreements with the Richfield Joint School District. One agreement is for the Village to perform lawn maintenance at the District's buildings and the other agreement is a snow equipment lease agreement. The total of these agreements are \$17,000 in revenues.

From time to time, the Village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village's attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

The Village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

Funding for the operating budget of the Village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Village.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

The beginning compensated absences balance was restated from \$97,419 to \$33,895. The restatement removed the accrual for sick leave because the Village's policy does not allow a payout or conversion of sick leave upon termination of employment or retirement. The affect was a \$63,524 increase in the beginning net position on the statement of activities and a decrease in the long-term obligations on the statement of net position.

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REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF RICHFIELD
Schedule of Budgetary Comparison
General Fund
For the Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes	\$ 2,430,949	\$ 2,430,939	\$ (10)
Special Assessments	13,369	16,159	2,790
Intergovernmental	574,439	597,324	21,685
Licenses and Permits	237,800	346,510	108,710
Fines, Forfeitures and Penalties	400	3,428	3,028
Public Charges for Services	53,775	57,909	4,134
Investment Income	15,600	11,642	(3,958)
Miscellaneous	13,000	38,198	25,198
Total Revenues	<u>3,339,332</u>	<u>3,502,109</u>	<u>161,577</u>
EXPENDITURES			
Current:			
General Government	594,428	620,590	(26,162)
Public Safety	955,938	957,642	(1,704)
Public Works	803,997	701,729	102,268
Leisure Activities	128,456	116,061	12,395
Conservation and Development	148,853	119,945	28,908
Debt Service:			
Principal	11,084	11,084	-
Interest	5,102	5,102	-
Capital Outlay	897,774	893,000	4,774
Total Expenditures	<u>3,545,632</u>	<u>3,425,153</u>	<u>120,479</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(206,300)	76,956	282,056
OTHER FINANCING USES			
Transfers	-	(750,000)	(750,000)
NET CHANGE IN FUND BALANCE	(206,300)	(673,044)	(407,044)
FUND BALANCE - BEGINNING	1,763,696	1,763,696	-
FUND BALANCE - ENDING	<u>\$ 1,557,396</u>	<u>\$ 1,090,652</u>	<u>\$ (407,044)</u>

VILLAGE OF RICHFIELD
Notes to Schedule of Budgetary Comparison
December 31, 2013

BUDGETARY CONTROLS

The Village follows these procedures in establishing the budgetary data:

- During the year, Village management submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.
- Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- During the year, formal budgetary integration is employed as a management control device for the general fund.
- Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board with a two-thirds majority vote.

The Park Dedication Fund is a major special revenue fund but the Village does not adopt a separate budget for it.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

The following fund had an excess of actual expenditures over budget for the year ended December 31, 2013:

<u>General Fund</u>	<u>Excess Expenditures</u>
General Government	\$ 26,162
Public Safety	1,704

SUPPLEMENTARY INFORMATION

VILLAGE OF RICHFIELD
Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2013

	Special Revenue Funds				Total Nonmajor Funds
	Richfield Utility No.1	Bark Lake Utility	Richfield Utility No. 2	Fire Station Fund	
ASSETS					
Cash and Investments	\$ 1,859	\$ 1,546	\$ 734	\$ 158,335	\$ 162,474
Taxes Receivable	1,566	1,216	636	-	3,418
Accounts Receivable	-	-	-	743	743
Due from Other Funds	-	-	352	-	352
TOTAL ASSETS	<u>\$ 3,425</u>	<u>\$ 2,762</u>	<u>\$ 1,722</u>	<u>\$ 159,078</u>	<u>\$ 166,987</u>
LIABILITIES					
Due to Other Funds	\$ 324	\$ 39	\$ -	\$ -	\$ 363
DEFERRED INFLOWS OF RESOURCES					
Taxes Levied for Subsequent Period	3,375	2,622	1,370	-	7,367
FUND BALANCES (DEFICIT)					
Assigned	-	101	352	159,078	159,531
Unassigned	(274)	-	-	-	(274)
TOTAL FUND BALANCES (DEFICIT)	<u>(274)</u>	<u>101</u>	<u>352</u>	<u>159,078</u>	<u>159,257</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)	<u>\$ 3,425</u>	<u>\$ 2,762</u>	<u>\$ 1,722</u>	<u>\$ 159,078</u>	<u>\$ 166,987</u>

VILLAGE OF RICHFIELD

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)

Nonmajor Governmental Funds

For the Year Ended December 31, 2013

	Special Revenue Funds				Total Nonmajor Funds
	Richfield Utility No. 1	Bark Lake Utility	Richfield Utility No. 2	Fire Station Fund	
REVENUES					
Taxes	\$ 3,375	\$ 2,622	\$ 1,370	\$ -	\$ 7,367
Impact Fees	-	-	-	29,660	29,660
Investment Income	-	-	-	138	138
Total Revenues	<u>3,375</u>	<u>2,622</u>	<u>1,370</u>	<u>29,798</u>	<u>37,165</u>
EXPENDITURES					
Street Lighting	<u>3,436</u>	<u>2,654</u>	<u>1,403</u>	<u>-</u>	<u>7,493</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	(61)	(32)	(33)	29,798	29,672
FUND BALANCES (DEFICIT) - BEGINNING	<u>(213)</u>	<u>133</u>	<u>385</u>	<u>129,280</u>	<u>129,585</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ (274)</u>	<u>\$ 101</u>	<u>\$ 352</u>	<u>\$ 159,078</u>	<u>\$ 159,257</u>

VILLAGE OF RICHFIELD
Schedule of Detailed Budgetary Comparison
General Fund
For the Year Ended December 31, 2013

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
TAXES			
General Property Taxes	\$ 2,429,299	\$ 2,429,299	\$ -
Other Taxes	1,550	1,560	10
Interest and Penalties on Delinquents	100	80	(20)
Total Taxes	<u>2,430,949</u>	<u>2,430,939</u>	<u>(10)</u>
SPECIAL ASSESSMENTS	<u>13,369</u>	<u>16,159</u>	<u>2,790</u>
INTERGOVERNMENTAL			
Shared Revenues	130,162	130,301	139
Fire Insurance Dues	48,000	46,724	(1,276)
Motor Oil Refund	800	959	(1,041)
General Highway Aids	349,917	365,762	15,845
Recycling	10,760	11,136	376
Forest Crop Land	100	76	(24)
Lake Patrol	-	1,490	1,490
Computer Aid	2,600	2,685	85
Ag Use Penalty	-	5,817	5,817
Payment in Lieu of Taxes	-	453	453
Fire Department Reimbursement	14,100	16,558	2,458
School Reimbursement	18,000	15,363	(2,637)
Total Intergovernmental	<u>574,439</u>	<u>597,324</u>	<u>21,685</u>
LICENSES AND PERMITS			
Liquor and Malt Beverage Licenses	12,000	11,365	(635)
Operators Licenses	7,000	6,432	(568)
Cigarette Licenses	780	390	(390)
Soda License	350	-	(350)
Vending Machine License	2,500	2,875	375
Electrical License	-	270	270
Dog License	9,500	11,882	2,382
Kennel Licenses	10	3	(7)
Building Permits	80,000	116,520	36,520
Electrical Permit	14,000	21,115	7,115
Plumbing Permit	13,000	14,053	1,053
Zoning Permit	3,000	4,475	1,475
Right of Way Permits	2,100	5,810	3,710
Burning Permit	3,000	3,474	474
Other Permit	5,880	56,465	50,585
Cable Television Franchise Fee	84,680	91,381	6,701
Total Licenses and Permits	<u>237,800</u>	<u>346,510</u>	<u>108,710</u>
FINES AND FORFEITS			
Court Penalties and Fines	150	3,273	3,123
Dog Fines	250	155	(95)
Total Fines and Forfeits	<u>400</u>	<u>3,428</u>	<u>3,028</u>

VILLAGE OF RICHFIELD
Schedule of Detailed Budgetary Comparison - Continued
General Fund
For the Year Ended December 31, 2013

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
PUBLIC CHARGES FOR SERVICES			
CSM Review Fees	\$ 2,000	\$ 900	\$ (1,100)
Tax Research	1,700	2,393	693
Code Book and Maps	200	9	(191)
Zoning Appeals	1,500	2,455	955
Rezoning Fees	4,250	2,100	(2,150)
Engineering Fees Reimbursed	7,300	2,673	(4,627)
Transfer Station Fees	2,000	7,347	5,347
Recycling	8,800	4,733	(4,067)
Attorney Fee Reimbursement	3,000	2,699	(301)
Recording Fees	200	-	(200)
Publication Fees	300	1,662	1,362
House Numbers	250	460	210
State Seal	450	1,892	1,442
Road Bond	550	2,200	1,650
Holding Tank Agreement Fees	100	25	(75)
Site Plan Fees	5,000	9,550	4,550
Subdivision Plat Fees	1,000	-	(1,000)
Road Use Fees	7,000	5,000	(2,000)
Park Rental Fees	2,500	6,006	3,506
Home Occupation Fees	225	-	(225)
Copies	250	205	(45)
Planner Fees Reimbursed	5,000	5,593	593
Cable Advertising	100	-	(100)
Register Mail-Postage	100	7	(93)
Total Public Charges for Services	53,775	57,909	4,134
INVESTMENT INCOME			
Investment Income	12,000	8,021	(3,979)
Interest on Special Assessments	3,600	3,621	21
Total Investment Income	15,600	11,642	(3,958)
MISCELLANEOUS REVENUES			
Miscellaneous General Revenue	6,000	2,558	(3,442)
Richfield Soccer League	3,000	3,000	-
Richfield Youth Program	3,000	3,000	-
Sale of Equipment and Land	1,000	29,640	28,640
Total Miscellaneous Revenues	13,000	38,198	25,198
TOTAL REVENUES	3,339,332	3,502,109	161,577

VILLAGE OF RICHFIELD
Schedule of Detailed Budgetary Comparison - Continued
General Fund
For the Year Ended December 31, 2013

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES			
GENERAL GOVERNMENT			
Current			
Village Board	\$ 44,694	\$ 44,179	\$ 515
Administrator	129,913	127,500	2,413
Clerk	109,780	110,105	(325)
Elections	18,050	8,535	9,515
Property Assessment	34,776	49,559	(14,783)
Accounting and Auditing	10,000	10,000	-
Treasurer	78,313	78,627	(314)
Legal	50,000	75,098	(25,098)
Village Hall	44,673	52,965	(8,292)
Insurance	65,730	55,935	9,795
Miscellaneous	8,499	8,087	412
Total General Government	<u>594,428</u>	<u>620,590</u>	<u>(26,162)</u>
PUBLIC SAFETY			
Police Protection	329,751	311,343	18,408
Lake Patrol	1,800	1,750	50
Fire and Ambulance Protection	511,343	506,085	5,258
Emergency Government	500	-	500
Inspection	109,826	135,746	(25,920)
Pest Control	2,718	2,718	-
Total Public Safety	<u>955,938</u>	<u>957,642</u>	<u>(1,704)</u>
PUBLIC WORKS			
Garage and Sheds	22,000	21,107	893
Highway and Street Maintenance	745,221	643,381	101,840
Street Lighting	18,800	19,118	(318)
Transfer Station	17,976	18,123	(147)
Total Public Works	<u>803,997</u>	<u>701,729</u>	<u>102,268</u>
LEISURE ACTIVITIES			
Parks and Recreation	128,456	116,061	12,395
CONSERVATION AND DEVELOPMENT			
Planning and Appeals	127,403	95,322	32,081
Community Development	21,450	24,623	(3,173)
Total Conservation and Development	<u>148,853</u>	<u>119,945</u>	<u>28,908</u>
DEBT SERVICE			
Principal	11,084	11,084	-
Interest	5,102	5,102	-
Total Debt Service	<u>16,186</u>	<u>16,186</u>	<u>-</u>

VILLAGE OF RICHFIELD
Schedule of Detailed Budgetary Comparison - Continued
General Fund
For the Year Ended December 31, 2013

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
CAPITAL OUTLAY			
Highway Maintenance and Equipment	\$ 852,774	\$ 850,734	\$ 2,040
Park and Recreation	45,000	42,266	2,734
Total Capital Outlay	<u>897,774</u>	<u>893,000</u>	<u>4,774</u>
TOTAL EXPENDITURES	<u>3,545,632</u>	<u>3,425,153</u>	<u>120,479</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(206,300)	76,956	282,056
OTHER FINANCING USES			
Transfers	<u>-</u>	<u>(750,000)</u>	<u>(750,000)</u>
NET CHANGE IN FUND BALANCE	(206,300)	(673,044)	(467,944)
FUND BALANCE - BEGINNING	<u>1,763,696</u>	<u>1,763,696</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,557,396</u>	<u>\$ 1,090,652</u>	<u>\$ (467,944)</u>